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Italy

Fresh Deciduous Fruit

Fresh Deciduous Fruit - Semiannual

2005

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Report Highlights:

Italian fresh fruit end-of-campaign data largely confirms our previous estimates. The 2005 campaign was favorable for pears, apples and table grapes, both in terms of volume produced and in quality of fruit. High apple production in Italy was further complemented by lower production in Poland, and farmers are generally optimistic. The table grape sector is facing increasing difficulties because of decreasing exports.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Semi-Annual Report
Rome [IT1]
[IT]

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Apples

Previous forecasts on Italian apple production in 2005 are confirmed. Production is up 4% from the previous campaign and fruit quality is considered above average. Italian apple producers welcomed reports of lower production in other EU countries, mainly Poland, as they feared that the 2005 campaign could see an excess of supply in Europe, and a consequent building of stocks. Exports to EU and Extra-EU countries are expected to rise. Italian apple farmers have also generally welcomed the postponement of the implementation of the new EU Regulation on calibers. Domestic consumption is expected to be flat, or slightly decreasing, in line with the general trend for fresh fruit.

PSD Table

Country Commodity	Italy Apples, Fresh						UOM
	2003	Revised	2004	Estimate	2005	Forecast	
Market Year Begin	USDA Official [	Estimate[New]	USDA Official [	Estimate[New]	USDA Official [	Estimate[New]	MM/YYYY
	07/2003	07/2003	07/2004	07/2004	07/2005	07/2005	
Area Planted	61214	61214	61469	61469	61700	61700	(HA)
Area Harvested	56711	56711	57169	57169	57393	57393	(HA)
Bearing Trees	0	0	0	0	0	0	(1000 TRE
Non-Bearing Trees	0	0	0	0	0	0	(1000 TRE
Total Trees	0	0	0	0	0	0	(1000 TRE
Commercial Production	1851524	1851524	2083600	2035206	2144000	2100000	(MT)
Non-Comm. Production	26000	26000	26000	26000	15000	20000	(MT)
TOTAL Production	1877524	1877524	2109600	2061206	2159000	2120000	(MT)
TOTAL Imports	77244	77244	89817	67492	65000	62000	(MT)
TOTAL SUPPLY	1954768	1954768	2199417	2128698	2224000	2182000	(MT)
Domestic Fresh Consum	1032000	1032000	1257449	1122697	1161000	1122000	(MT)
Exports, Fresh Only	622768	622768	541968	606001	663000	660000	(MT)
For Processing	300000	300000	400000	400000	400000	400000	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	1954768	1954768	2199417	2128698	2224000	2182000	(MT)

Production costs and CAP reform

According to a recent press article, Italian apples have difficulty competing in the international market, because Italian production costs are the highest among producing countries. According to the article (Terra e Vita 46/2005), producing a kilo of apples in Italy, excluding packaging, costs about 0.27 Euros, more than in France (0.25 Euros), Germany (0.26 Euros) and the United States (0.23 Euros), and more than the double the production costs in Poland (0.11 Euros).

The European Association of fresh produce, Areflh, expressed concern about the next EU reform regime for apples, and fruit in general. The main issue is the possible introduction of decoupling, which would discourage productive investment in farms. The average farm size of Italian apple producers is between 3 and 4 acres.

Pears

The results of the 2005 campaign for Italian fresh pears confirm our previous forecast. Produced volumes are in line with last year and the quality of fruit is generally good. Prices

in September and October were low due to the presence on the domestic market of unsold stocks of imported, late-production from the Southern hemisphere. However, prices recovered later in the campaign. Domestic consumption has shown a long-term trend for decline, in line with the general trend for the fresh fruit sector.

Pear producers are exploring new strategies to boost fresh fruit consumption. Strategies include the marketing of EU-protected geographic indications, the identification of the optimal consumption period on the packaging, as well as the development of new, pear-based, ready-to-eat products in combination with cheeses.

PSD Table

Country	Italy						
Commodity	Pears, Fresh						
	(HA)(1000 TREES)(MT)						
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate[NA	Official [	Estimate[NA	Official [	Estimate[New]	
Market Year Begin	07/2003			07/2004		07/2005	MM/YYYY
Area Planted	44740	44740	44502	44502	43420	43420	(HA)
Area Harvested	40368	40368	40652	40652	39812	39812	(HA)
Bearing Trees	0	0	0	0	0	0	(1000 TRE
Non-Bearing Trees	0	0	0	0	0	0	(1000 TRE
Total Trees	0	0	0	0	0	0	(1000 TRE
Commercial Production	831000	831000	854000	854000	841700	841000	(MT)
Non-Comm. Production	41400	41400	41000	41000	40000	40000	(MT)
TOTAL Production	872400	872400	895000	895000	881700	881000	(MT)
TOTAL Imports	131000	131000	121590	133300	125000	130000	(MT)
TOTAL SUPPLY	1003400	1003400	1016590	1028300	1006700	1011000	(MT)
Domestic Fresh Consum	684700	684700	693814	693814	679700	679000	(MT)
Exports, Fresh Only	118700	118700	122776	134486	127000	132000	(MT)
For Processing	200000	200000	200000	200000	200000	200000	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	1003400	1003400	1016590	1028300	1006700	1011000	(MT)

Table grapes

As previously anticipated in report IT5038, Italian table grape production in 2005 was good in volume and quality of fruit, but increasing difficulty in exporting has resulted in an excess supply in the domestic market. The Government of Italy intervened, withdrawing product from the market, and favoring the subscription of purchase agreements between retail chains and farmers. However, the outlook for the sector remains very negative.

Although it is hard to quantify the potential impact of this crisis since there are no accurate statistics on production and consumption, it is likely that the table grape sector in Italy will face some major changes in the future.

PSD Table

Country	Italy						
Commodity	Grapes, Table, Fresh						(HA)(MT)
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate[1]	USDA Official [	Estimate[1]	USDA Official [	Estimate[New]	
Market Year Begin	01/2004		01/2005		01/2006	MM/YYYY	
Area Planted	73345	73345	71676	71676	71000	71000	(HA)
Area Harvested	72078	72078	70414	70414	70000	70000	(HA)
Commercial Production	1513423	1513423	1418438	1418438	1400000	1580478	(MT)
Non-Comm. Production	40000	40000	47000	47000	42300	24300	(MT)
TOTAL Production	1553423	1553423	1465438	1465438	1442300	1604778	(MT)
TOTAL Imports	16577	16577	20000	20000	19000	19000	(MT)
TOTAL SUPPLY	1570000	1570000	1485438	1485438	1461300	1623778	(MT)
Domestic Fresh Consum	685000	763709	710438	714846	718000	763478	(MT)
Exports, Fresh Only	600000	521291	470000	465592	373000	490000	(MT)
For Processing	285000	285000	305000	305000	320300	320300	(MT)
Withdrawal From Market	0	0	0	0	50000	50000	(MT)
TOTAL UTILIZATION	1570000	1570000	1485438	1485438	1461300	1623778	(MT)

Price tables

Prices Table

Country Italy

Commodity Apples, Fresh

Prices in Euro per uom Kilo

Year	2004	2005	% Change
Jan	0.7	0.58	-17%
Feb	0.75	0.64	-15%
Mar	0.91	0.52	-43%
Apr	0.9	0.49	-46%
May	0.96	0.51	-47%
Jun	0.62	0.53	-15%
Jul			
Aug	0.52	0.31	-40%
Sep	0.45	0.29	-36%
Oct	0.54	0.4	-26%
Nov	0.54	0.44	-19%
Dec	0.57		-100%

Exchange Rate 1.18559 Local Currency/US \$

Date of Quote 12/28/2005 MM/DD/YYYY

Prices Table

Country Italy

Commodity Pears, Fresh

Prices in per uom

Year	<input type="text" value="2004"/>	2005	% Change
Jan	<input type="text" value="0.7"/>	<input type="text" value="0.69"/>	-1%
Feb	<input type="text" value="0.71"/>	<input type="text" value="0.7"/>	-1%
Mar	<input type="text" value="0.73"/>	<input type="text" value="0.72"/>	-1%
Apr	<input type="text" value="0.65"/>	<input type="text" value="0.68"/>	5%
May	<input type="text" value="0.56"/>	<input type="text" value="0.77"/>	38%
Jun	<input type="text" value="0.46"/>		-100%
Jul	<input type="text" value="0.6"/>	<input type="text" value="0.47"/>	-22%
Aug	<input type="text" value="0.48"/>	<input type="text" value="0.37"/>	-23%
Sep	<input type="text" value="0.47"/>	<input type="text" value="0.46"/>	-2%
Oct	<input type="text" value="0.55"/>	<input type="text" value="0.55"/>	0%
Nov	<input type="text" value="0.63"/>	<input type="text" value="0.63"/>	0%
Dec	<input type="text" value="0.67"/>		-100%

Exchange Rate Local Currency/US \$

Date of Quote MM/DD/YYYY

Prices Table

Country Italy

Commodity Grapes, Table, Fresh

Prices in per uom

Year	<input type="text" value="2004"/>	2005	% Change
Jan			
Feb			
Mar			
Apr			
May			
Jun			
Jul	<input type="text" value="0.74"/>	<input type="text" value="0.65"/>	-12%
Aug	<input type="text" value="0.5"/>	<input type="text" value="0.54"/>	8%
Sep	<input type="text" value="0.42"/>	<input type="text" value="0.39"/>	-7%
Oct	<input type="text" value="0.31"/>	<input type="text" value="0.52"/>	68%
Nov	<input type="text" value="0.31"/>	<input type="text" value="0.74"/>	139%

Dec	0.33	-100%
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Exchange Rate	1.18559	Local Currency/US \$
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Date of Quote	12/28/2005	MM/DD/YYYY
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